

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Amendment of Parts 1, 21, 73, 74 and 101 of)	WT Docket No. 03-66
the Commission's Rules to Facilitate the)	RM-10586
Provision of Fixed and Mobile Broadband)	
Access, Educational and Other Advanced)	FCC 04-135
Services in the 2150-2162 and 2500-2690)	
MHz Bands)	

**COMMENTS
NOTICE OF PROPOSED RULES MAKING**

Grand Wireless Company, Inc. – Michigan¹ (Grand) is a licensee/operator of MMDS spectrum (spectrum it acquired through the auction process) providing broadband data services in contiguous BTAs located in the rural northwest quadrant of the lower Michigan Peninsula. Its experience is “real time” rather than unconstructed musings.

In reviewing the Commission's NPRM, Grand concludes that the interest of the *rural* public, a segment of the country's population whose telecom needs is often more difficult and more expensive to meet, differs from its urban brethren and therefore requires somewhat different considerations from the Commission in its rules making process. Our Comments follow:

Substantial Service: Grand Wireless Company, Michigan supports the WCAI's position on what constitutes substantial service. The focus on “*sound, favorable and substantially above a level of mediocre service*” should adequately guard against licensees who “put on a show” while trying to warehouse their spectrum

Geographic Areas for New Licenses: Much of the Commission's work has been devoted to putting in place methodology which would solve the difficult interference and other issues between BTA authorizations and PSA license holders (both MDS and ITFS to use the old nomenclature) that has often stagnated this spectrum's development. In Grand Wireless Michigan's Petition for Reconsideration filing, it has indicated that the Commission's approach to overlaying MEAs over GSAs over BTAs over PSAs complicates the transition process by introducing many new relationships to the mix. For this same reason Grand believes new licensees should have their authorized service areas contained within the BTA. It would

¹ Grand Wireless Company, Inc. – Michigan has entered into an agreement to sell its three Michigan BTAs to Cherry Tree Communications LLC whose principle member has been a major participant in the development of the Michigan BTA broadband operations.

ordinarily be unusual for a particular slice of spectrum to be available over a number of contiguous BTAs anyway. Does the few instances where that is possible justify the additional service area criteria? By constraining new licensees to their appropriate BTA, issues are kept between the least number of parties where resolutions supportive of public service are most likely to be found.

Annual License Fees: Currently the Commission has annual license fees that are the same regardless of population density. A licensee serving an area containing less than 100 people/square mile pays the same annual fee as a licensee serving an area containing 1000 people/square mile. The Commission is well aware of the difficulties in economies of scale for licensees serving rural communities. The Commission demonstrates this by having a sliding scale for the annual fees of broadcast television stations based upon population.

Grand Wireless Company, Michigan believes a similar structure, perhaps simplified compared to the number of broadcast television categories, would better serve the rural operator. While the current fees may seem a trivial amount, to the rural operator already stretched thin by low population density it can be a high hurdle. As a rural operator every little bit helps and we would rather take most of that fee and use it to further our expansion.

Definition of Rural: The Commission asked what should be the guideline for defining “Rural”. There is always benefit in various government entities having similar definitions particularly where their responsibilities overlap. The Commission and the Rural Utility Service (RUS) have both expressed a similar desire to see broadband provided in rural communities. The RUS has promoted loan and in some cases grant programs to that end. It would seem reasonable for the Commission to adopt rural definitions already established by the RUS.

Respectfully Submitted,

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